

**STATEMENT OF THE HONORABLE FRANK A. LoBIONDO, CHAIRMAN –
SUBCOMMITTEE ON
COAST GUARD AND MARITIME TRANSPORTATION
IMPLEMENTATION OF THE OIL POLLUTION ACT
APRIL 27, 2006**

The Subcommittee is meeting this morning to oversee oil spill prevention and response programs implemented under the Oil Pollution Act of 1990 and to review the level of funding in the Oil Spill Liability Trust Fund.

Over the past two years, we have been reminded time and again of the importance of the Coast Guard's oil spill prevention and response responsibilities. As recently as two days ago, the Coast Guard responded to a seven mile long oil slick in the Delaware Bay which is still under investigation. The recent hurricanes in the Gulf Coast region, and the large oil spills in the Delaware River and off of the coast of Alaska have resulted in the release of millions of gallons of crude oil into U.S. waters. I commend the Coast Guard and its many Federal, State and local partners for their response to these incidents.

In response to these spills, Congress has taken several steps to provide the Coast Guard with additional authorities to improve its capabilities to prevent and respond to oil spills. The House has passed H.R. 1412, the Delaware River Protection Act, and the conference report on H.R. 889, the Coast Guard and Maritime Transportation Act of 2006, has adopted the provisions included in H.R. 1412.

The conference report includes a provision that will adjust oil spill liability limits for vessels to reflect the changes in inflation since the passage of the Oil Pollution Act in 1990. This provision will encourage the use of double hulled vessels by more than doubling liability limits on single hulled vessels, making them more expensive to operate than the safer double hulled alternative. The provision will also restore a greater share of the responsibility for costs associated with oil spills to the vessel owner and will enhance the solvency of the Oil Spill Liability Trust Fund.

I am, however, concerned about the effect that recent events may have on the long-term health of the Fund. The Coast Guard's investigation into the ATHOS I oil spill has found no evidence of violations by the river pilot or the crew of the vessel, nor can we identify the owners of the objects that struck the vessel's hull. I hope the witnesses will provide us with an update on the investigation into this spill and the potential costs to the Fund if no liable party is identified.

I am also concerned about the potential use of the Oil Spill Liability Trust Fund to pay for damages in the Gulf region resulting from Hurricane Katrina. We have received estimates that the costs associated with response and restoration activities could reach up to \$800 million. I hope to hear more about whether the Administration is suggesting that some of these costs be absorbed by the Fund and how this could affect the Fund's balance.

I am also interested in hearing testimony regarding the Federal government's research and development efforts under the OPA. OPA requires Federal agencies to conduct a wide scope of oil spill research; however we have made very little progress towards this goal. I believe that it is extremely important we continue to develop technologies and procedures to improve our prevention and response to oil spills. In the conference report on H.R. 889, we included a provision to authorize a program to investigate technologies and procedures to remove or otherwise mitigate submerged oil in U.S. waterways. I hope the enactment of this provision will spur the Administration to support further research in these areas.

Before I introduce our witnesses, I want to express my appreciation and that of this Committee to Admiral Gilmour for his nearly 30 years of dedicated service to this country. Admiral, congratulations on a well-deserved retirement. I welcome the witnesses this morning and look forward to hearing their testimony.